

HLAG/CMA CGM U.S - MEDITERRANEAN SLOT CHARTER AGREEMENT

FMC AGREEMENT NO. 012483

A Slot Charter Agreement

Expiration Date: None.

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the HLAG/CMA CGM U.S. - Mediterranean Slot Charter Agreement ("Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize HLAG to charter slots on its service in the Trade (as hereinafter defined) to CMA CGM.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter "party" or "parties") are:

1. Hapag-Lloyd Aktiengesellschaft
Ballindamm 25
20095 Hamburg, Germany
(Hereinafter referred to as "HLAG")
2. CMA CGM S.A. , acting on its own behalf of its wholly owned subsidiaries and affiliates (APL, ANL, US Lines)
4, Quai d'Arenc
13235 Marseilles, Cedex 02
France
(Hereinafter referred to as "CMA CGM")

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement applies to the trades between ports on the Gulf Coast of the United States, ports on the Gulf Coast of Mexico and ports in Italy, Spain and Jamaica (hereinafter referred to as the "Trade").¹

ARTICLE 5: AGREEMENT AUTHORITY

5.1(a) HLAG shall charter to CMA CGM, and CMA CGM shall purchase from HLAG, space for 650 TEUs (@ 13.5 tons per TEU) by the end of May 2017 on a round-voyage basis on each sailing of HLAG's MGX service on such terms and conditions (including slot charter hire) as the parties may agree from time to time. CMA CGM shall receive an allocation of reefer plugs on each vessel proportionate to its slot allocation on that vessel. Subject to space availability, CMA CGM may purchase additional one-way slots. Without further amendment to this Agreement filed with FMC, the foregoing allocation may be adjusted up or down by up to fifty percent (50%).

(b) CMA CGM shall have the option to load inter-port cargo, provided such cargo moves within the applicable voyage leg allocation and conforms with any applicable cabotage laws. Acceptance of IMO, out of gauge cargo and/or special equipment shall be at the discretion of HLAG and shall be requested by CMA CGM in writing. CMA CGM may not, without the consent of HLAG, slot charter or sub-charter

¹ The inclusion of non-U.S. trades within the scope of this Agreement does not bring such trades within the scope of the U.S. Shipping Act or the jurisdiction of the Federal Maritime Commission ("FMC").

to any third party any slots the use of which has been granted to CMA CGM under this Agreement.

5.2 HLAG may revise the port coverage, rotation or voyage profile of its MGX service from time to time. It will, however, provide CMA CGM with a master schedule for the service and not less than 45 days notice of any permanent change(s) to be made in port calls. HLAG will take into consideration any due concerns of CMA CGM before taking a decision on any port changes. In the case of change in the port rotation, the Parties shall meet to agree any necessary adjustments to CMA CGM's allocation, trading rights and slot hire as the case may be. If the Parties cannot reach an agreement in regard to the foregoing, then CMA CGM may terminate the Agreement as given under Article 9.2 of this Agreement.

5.3 CMA CGM will make its containers available on, or take delivery of its containers from, the terminal allocated for the relevant vessels at each port prior to the announced export closing time. This Agreement does not authorize joint operation of a marine terminal by the parties in the United States. CMA CGM will contract directly with the local stevedores in the ports called under this Agreement.

The Parties are authorized, but not required, to negotiate jointly with terminal operators on the Trade and to enter into individual contracts with terminal operators and/or stevedores in connection with vessels operated or space provided hereunder. Common terminal charges (as defined by the Parties) shall be shared by the Parties based on their pro rata throughput in each port, unless otherwise agreed.

5.4 The parties shall maintain their own identities and tariffs and shall issue their own bills of lading. Each party may separately advertise sailings of the vessels subject to this Agreement. Nothing in this Agreement shall be construed as creating a partnership, association or joint venture between the parties.

5.5 The parties are authorized to discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties, procedures for allocating space, forecasting, terminal operations, stowage planning, schedule adjustments, financial procedures, record-keeping, responsibility for loss or damage, insurance, liabilities, claims, indemnification, force majeure, consequences for delays, and treatment of hazardous and dangerous cargoes.

5.6 Further Agreements

Any further agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, except to the extent that such agreement concerns matters exempt from filing pursuant to 46 C.F.R. §535.408(b).

5.7 The Parties shall both be signatory to the Agreement to Voluntarily Participate in Customs-Trade Partnership Against Terrorism ("C-TPAT Agreement") and agree to develop and implement a verifiable, documented program to enhance security procedures throughout their respective portions of the supply chain process, as described in the C-TPAT Agreement.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND
DELEGATIONS OF AUTHORITY

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of each of the parties; and
- (ii) Legal counsel for each of the parties

ARTICLE 7: MEMBERSHIP

Membership is limited to the parties hereto, unless otherwise unanimously agreed by the parties.

ARTICLE 8: VOTING

Except as otherwise provided herein, all actions taken pursuant to this Agreement shall require unanimous agreement of the parties.

ARTICLE 9: DURATION AND TERMINATION OF AGREEMENT

9.1 This Agreement shall become effective on the date on which it becomes effective under the U.S. Shipping Act of 1984, as amended.

Notwithstanding above, Parties may agree on a later operational start as they deem necessary. This agreement shall have an initial term running for one (1) year from the effective date ("Initial Term"). If this Agreement is not terminated at the end of the Initial Term, it shall remain in effect indefinitely thereafter.

9.2 Any party may withdraw from this Agreement by giving not less than three (3) months notice to the other party, provided, however, that such notice may not be given to the other party prior to nine months having elapsed after the effective date of this Agreement.

Notwithstanding the foregoing, this Agreement (a) may be terminated at any time by the mutual agreement of the Parties and (b) will terminate upon the expiry or termination of the HLAG's service in which case HLAG will immediately inform CMA CGM about the expiry or termination. Unless otherwise agreed, this Agreement will remain in force until the completion of all the voyages roundtrip in progress at the time such notice to terminate would otherwise have taken effect (which means all vessels having returned to Mediterranean area and all cargo and containers discharged up to last port in the Mediterranean area, in principle Barcelona).

9.3 Notwithstanding Article 9.2 above, this Agreement may be terminated pursuant to the following provisions:

(a) If at any time during the term of this Agreement there shall be a change in ownership of any of the Parties, and such change in ownership is likely materially to

prejudice the cohesion or viability of this Agreement or another Party's commercial interest, then such other Party may, within three (3) months of becoming aware of such change, give not less than one (1) month' notice in writing to the other Parties of its intention to terminate this Agreement.

(b) If at any time during the term of this Agreement, a Party is dissolved or becomes insolvent or makes a general assignment arrangement or composition with or for the benefit of its creditors or has a winding-up order made against it or enters into liquidation whether voluntarily or compulsorily or seeks or becomes the subject of the appointment of an administrator, receiver, trustee, custodian, or other similar official for it or for all or substantially all of its assets or is affected by any event or similar act or which under the applicable laws of the jurisdiction where it is constituted has an analogous affect or takes any action in furtherance of any of the foregoing acts (other than for the purpose of a consolidation, reconstruction or amalgamation previously approved in writing by the other Party), and such event or occurrence is or may be materially detrimental to this Agreement or to payment of sums that may be owed, other than those that may be disputed in good faith, may not be paid in full or may be delayed in payment, then the other Party may give written notice terminating the Agreement with immediate effect. Such termination shall be without prejudice to any accrued obligations arising hereunder prior to the provision of such written termination notice.

9.4 In the case of a material breach by either Party, then that Party shall correct such breach within 30 days from the date of written notice of such breach sent by the other Party. In the event that the breach is not resolved within 30 days thereafter,

then the non-breaching Party shall have the right to terminate the Agreement effective 30 days from the date notice of termination is given.

9.5 Any termination hereunder shall be without prejudice to any Party's respective financial obligations to the other as of the date of termination, and a non-defaulting Party retains its right to claim against the defaulting Party for any loss and/or damage caused or arising out of the breach that prompted such termination.

9.6 In the event of withdrawal of a party, the parties shall continue to be liable to one another in respect of all liabilities and obligations accrued due prior to termination and in such other respects as the parties shall determine to be fair as between themselves in relation to the completion of all contracts of carriage outstanding at the date of termination.

9.7 The Federal Maritime Commission shall be promptly notified in writing of any termination date of this Agreement.

ARTICLE 10: NON-ASSIGNMENT

The rights and obligations of each party under this Agreement shall not be assignable except to subsidiaries, parent companies or fellow subsidiaries or with the prior written consent of the other party.

ARTICLE 11: GOVERNING LAW AND ARBITRATION

11.1 This Agreement is governed by and shall be construed in accordance with the laws of England, but nothing herein shall relieve the parties of their obligations to comply with the U.S. Shipping Act of 1984, as amended.

11.2 Any dispute or difference arising out of or in connection with this Agreement which cannot be amicably resolved shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Article 11. The Arbitration shall be conducted in accordance with the London Maritime Arbitration Association (LMAA) Terms current at the time when Arbitration proceedings are commenced. However any dispute relating to loss or damage to cargo or container carried under a charterer's B/L shall be referred to the jurisdiction mentioned in the charterer's B/L.

11.3 The reference shall be to three arbitrators. Any party wishing to refer a dispute to Arbitration shall appoint its arbitrator and send notice of such appointment to the other party, requiring the other party to appoint its own arbitrator within 14 calendar days of that notice, and stating that it will appoint its arbitrator as a sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to Arbitration may, without the requirement of any further prior written notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both

parties as if it had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

11.4 In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when Arbitration proceedings are commenced.

ARTICLE 12: MISCELLANEOUS

12.1 This Agreement and any future amendment hereto may be executed in counterparts. Each such counterpart shall be deemed an original, and all together shall constitute one and the same agreement.

12.2 In the event any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of the Agreement shall continue in force and effect unless the parties would not have entered into the Agreement without that provision which may be proven to be illegal or unenforceable.

12.3 Any notice hereunder shall be made by courier service or registered mail, or in the event expeditious notice is required, by e-mail or fax confirmed by courier or registered mail, to the addresses shown in Article 3 hereof.

ARTICLE 13: AMENDMENT

Any modification or amendment of this Agreement must be in writing and signed by both Parties and may not be implemented until filed with the FMC and effective under the Shipping Act of 1984, as amended.

ARTICLE 14: COMPLIANCE WITH LAWS

The Parties agree to comply with all applicable laws, rules, regulations, directives and orders issued by any authorities having jurisdiction over this Agreement and the services operated hereunder. The Parties warrant that they are not identified on the U.S. Treasury Department's list of specially designated nationals and blocked persons ("SDN List") and that goods and/or containers transported hereunder will not be transported on a vessel owned and/or operated by any Party on the SDN List.

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Signature Page

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
by their duly authorized representatives as of this 11th day of May, 2017.

HAPAG-LLOYD AKTIENGESELLSCHAFT

By: 

Name: Ulf Schawohl
Senior Managing Director

Title:

By: 

Name: Axel Lüdeke
Senior Director

Title:

CMA CGM S.A.

By: _____

Name:

Title:

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HAPAG-LLOYD AKTIENGESELLSCHAFT

By: _____

Name:

Title:

By: _____

Name:

Title:

CMA CGM S.A.

By: 

Name: Olivier NIVOIX

Title: Senior VP East West Lines